IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF OKLAHOMA

PRE-PAID LEGAL SERVICES, INC.

Plaintiff

S

vs.

CASE NO. cv-12-346-JHP

TODD CAHILL,

Defendant

S

EXPEDITED MOTION TO STAY PENDING ARBITRATION and AUTHORITIES IN SUPPORT THEREOF

To the honorable judge of said court:

Comes now Defendant, submitting his Expedited Motion to Stay Pending Arbitration and Authorities in Support Thereof and would show unto the Court as follows:

- 1. Both of the agreements Plaintiff is proceeding under in this action contain an arbitration clause. (Plaintiff's Motion for Preliminary Injunction, Exhibit 2, the Associate Agreement with Policies and Procedures ("AAPP"), paragraph 23 and Exhibit 3, the Regional Manager's Agreement ("RMA") paragraph 10.) Copies are re-attached to this Motion for the convenience of Court and counsel.
- 2. The Policies and Procedures which Plaintiff claims to be part of the Associates Agreement states as follows:

All disputes and claims relating to PPLSI, the Associate Agreement, these Policies and Procedures and any other PPLSI policies, products, and services, the rights and obligations and Associate PPLSI, or any other claims or causes of action between the Associate or PPLSI or any of its officers, directors, employees or affiliates, whether in tort or contract shall be settled totally and finally by arbitration in Oklahoma City, OK in accordance with the Commercial Arbitration Rules of the American Arbitration

Association, including the optional rules for emergency measures of protection. (Emphasis supplied)

3. Similarly, The RMA states as follows:

All disputes and claims relating to Company, REGIONAL MANAGER, this Agreement, or any associate agreement, or an Company policies, procedures, products, and services, or any other claims or causes of action between the REGIONAL MANAGER and Company or any of Company's officers, directors, employees or affiliates, whether in tort or in contract shall be settled totally and finally by arbitration in Oklahoma City, OK in accordance with the Commercial Arbitration Rules of the American Arbitration Association including the optional rules for emergency measures or protection. (Emphasis supplied)

- 4. The arbitration clause in both agreements clearly calls for "emergency measures" to be submitted to arbitration and neither agreement has a cut-out or exception for temporary restraining orders or injunctions.
 - 5. Section 3 of the Federal Arbitration Act (9 U.S.C. 1, et seq.) states as follows:

If any suit or proceeding be brought in any of the courts of the United States upon any issue referable to arbitration under an agreement in writing for such arbitration, the court in which such suit is pending, upon being satisfied that the issue involved in such suit or proceeding is referable to arbitration under such an agreement, **shall** on application of one of the parties stay the trial of the action until such arbitration has been had in accordance with the terms of the agreement, providing the applicant for the stay is not in default in proceeding with such arbitration. (Emphasis supplied)

6. Since the gravamen of Plaintiff's suit is, *inter alia*, breach of the AAPP and the RMA and enforcement of alleged non-disclosure, non-competition and non-solicitation provisions therein, this suit clearly falls under the mandatory provisions of the Federal Arbitration Act.

- 7. Defendants pray that this case be immediately stayed pending arbitration.
- 8. Defendants further pray that the response time to this Motion be shortened to 5 days so that it can be decided promptly because the court's ruling on this Motion will determine how and this proceeding will be conducted in the future.

Respectfully submitted,

WRIGHT, STOUT & WILBURN, PLLC Attorneys at Law

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- and -

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ATTORNEYS FOR DEFENDANTS

CERTIFICATE OF CONFERENCE

I, Gary E. Smith certify that I had a conference with Timila Rother about the relief sought in this motion on and she could not agree and stated that she opposed the motion.

> /s/ Gary E. Smith Gary E. Smith

CERTIFICATE OF SERVICE

The foregoing has been served upon the Plaintiff, by and through its attorney of record, Brooke S. Murphy and Timila S. Rother, Crowe & Dunlevy, P.C., 20 North Broadway, Suite 1800, Oklahoma City, OK, 73102-8273 on this the 24th of August 2011.

> /s/ Gary E. Smith Gary E. Smith